

- CORRECTION -

**MINUTES
BOATING AND WATERWAYS COMMISSION MEETING
STOCKTON, CALIFORNIA
MAY 26, 2010**

Pursuant to due and regular notice, the meeting of the Boating and Waterways Commission was called to order by Chairman Metz on May 26, 2010, at 8:30 A.M. at the Residence Inn, 3240 W. March Lane, Stockton, California.

ROLL CALL

Commissioners Present: Douglas W. Metz; Lenora S. Clark; Brendan Huffman; Stephan Moore; H.P. "Sandy" Purdon, and Matthew Webb

Dept. of Boating and Waterways

Personnel Present: Lucia Becerra, Acting Director; Penny Schulz, Staff Counsel; Steve Watanabe, Division Chief; Sylvia Hunter, SSM II; Keren Dill, AGPA; Margarita Sanchez, Administrative Assistant; Gloria Sandoval, PIO, and Tom Heuer, Retired Annuitant

CONVENE AND APPROVAL OF MINUTES

***MOTION:** It was moved by Commissioner Clark and seconded by Commissioner Purdon that the Boating and Waterways Commission minutes of the March 3, 2010, meeting be approved. The motion carried unanimously.*

CHAIRMAN'S REPORT

Chairman Metz welcomed everyone and recognized Lucia Becerra as the Acting Director for the Department.

DIRECTOR'S REPORT

Ms. Becerra gave a PowerPoint presentation on the Department's outreach efforts. Dates and locations of Department's events were made available. There was discussion on having more Department events in Southern California and press releases relating to Southern California. The issue will be discussed in the midterm meeting with the Chairman and Vice Chairman.

Chairman Metz indicated he would like a current listing of registrations by regions of California in relation to accidents and fatalities and Commissioner Webb would like staff to provide him with the definition of a reportable boating accident and a breakdown on what kind of boating activity it was, such as, fishing, motor boating, sailing, etc.

LEGISLATIVE REPORT

Ms. Becerra updated the Commission on AB 1585 and AB 1797. Copies of the Legislative Report were available to the public.

PUBLIC COMMENTS

G. Scott Miller, Harbormaster, Ventura Port District, stated that the Commission had approved a \$4.9 million contract in April 2008 to replace their 50-year old ramp and an additional \$450,000 was approved in March 2009 for engineering and design. He said the Department's design criteria for new ramps do not work within the existing footprint of the current ramp at its current location. It also conflicted with the feasibility report. He advised the Commission that an alternative plan is being designed that works for the area and better serves the cliental and it could save \$1.1 million. Mr. Miller will meet with Department staff to discuss the changes.

Mark Sandoval, California Harbormasters and Port Captains and Board of Directors of the Marina Recreation Association. Mr. Sandoval stated there is a quandary facing the Department in relations to funding for projects. He said the Association's position is that it is imperative that the Commission continue to provide funding for projects that come forward, especially for projects that have been years in the making.

John Cruger-Hansen, Marina Manager, Bodega Bay. Mr. Cruger-Hansen stated that as the harbormaster in Antioch he saw the benefit for the Wear It California campaign and has noticed more boaters wearing their life jackets, but he would like to see the campaign go statewide. He asked if the increase in the fuel excise tax will benefit the Department. Ms. Becerra responded the tax will not benefit the Department and that the funds are earmarked for other areas.

Ted Warburton, Legislative Chair, Harbormaster and Port Captains Association. He said due to the information of the Commission's March 3, 2010, meeting where 13 applicants were put on notice that their projects may not get funded due to the legislative process, it was decided that the Association will support the projects through legislative process or through the Administration. Mr. Warburton said the Association is asking their members to hold off any new applications so that the projects that are in the pipeline can come to completion. He stated the projects are good for the economy, boaters, and the Department.

Brad Gross, Director, Dana Point Harbor, Mr. Gross said he will also bring the issue of funding to his Association at their next meeting. He gave an update on his project.

CONSIDERATION OF PUBLIC LOANS

Ms. Hunter presented to the Commission for its advice and consent the following request for a public loan.

San Francisco West Harbor, City of San Francisco

The City and County of San Francisco applied to the Department of Boating and Waterways for a loan of \$6.995 million for the West Harbor project. The proposed project will consist of demolition of existing berths and construction of reconfigured berths in the West Harbor; upgrading of electrical and water dock utilities; installation of new barrier-free access gangways with security gates; construction of a new breakwater; replacement of revetment; mole removal; dredging; and improvements of buildings.

The Department of Boating and Waterways made no recommendation pending Commission hearing testimony on and clarification of the items listed in the Feasibility Report.

Chairman Metz called for a break at 10:02 A.M.; meeting resumed at 10:20 A.M.

Mary Hobson, Project Manager, Recreation and Park District and Katie Petrucione, Financial Director, were available to answer the questions and concerns from the Commission.

Ms. Hobson and Ms. Petrucione, at the request of DBW staff, agreed to provide the following if the loan is approved by the Commission:

- A written Legal Opinion from the City Attorney stating that the San Francisco Parks and Recreation Department is legally authorized to commit funds from the Open Space Fund as security/collateral for the loan.
- Specifics on the funds that will be used to fully fund the project. The City is to provide evidence of what specific funds will be used to fully fund the project with specific information concerning the funds, funding source, availability, and legal documentary evidence of the availability of these funds to the San Francisco Parks and Recreation Department specifically for funding the San Francisco West Harbor Marina project.
- Documentary proof of San Francisco's Funding of the Reserve Fund and holding it in an escrow account, in an amount equal to 2 years of loan payments.
- Update of Financial Projections showing the Reserve Fund being funded over a 10-year period.
- A Spending Plan showing the order of funds to be spent by DBW and San Francisco, tied to a project completion timeline certified by a San Francisco representative authorized to commit that such funds shall be spent according to the Certified Spending Plan.
- A realistic updated funds projection presuming the Project Completion date will extend into 2012/13.

Public Comment

The following individuals made comments in support of the San Francisco Marina, West project: Bright Winn, San Francisco boater; Richard Dornhelm, Marina Designer, Moffatt & Nichol; John Cruger-Hansen, Marina Manager; and Craig Lewis, Project Manager, Winzlor & Kelly.

Chairman Metz acknowledged a letter of support from Mayor Newsome of San Francisco and a letter of opposition from the Marina Community Association. He read an email from Mr. Maionchi of May 26, 2010 which mentions a lawsuit. After discussion a motion was made.

***MOTION:** It was moved by Commissioner Clark and seconded by Commissioner Purdon that the Boating and Waterways Commission approve the Department of Boating and Waterways public loan of \$6.995 million to the City and County of San Francisco for the West Harbor project with the following conditions. That the project comes in at \$25.411 or less; that a timetable is worked out that is consistent with the dates that have been given for completion dated twelve, thirteen and that there be a net zero for contamination and have a 1.2 debt service coverage ratio or a conceptual equivalent and work out the security of the matching fund idea. The motion carried unanimously*

Chairman Metz called for a break at 11:47 A.M.; meeting resumed at 12:02 A.M

Ms. Dill presented to the Commission for its advice and consent the following request for a public loan.

Alamitos Basins 2 & 3, City of Long Beach

City of Long Beach is requesting a \$9 million Phase IV Loan to rebuilt Alamitos Bay Marina, Basins 2 and 3. Mark Sandoval, Manager, Marinas and Beaches, City of Long Beach, was available to answer questions from the Commission.

Mr. Sandoval acknowledged the funding gap of \$36.7 million for Basins 2 and 3. He indicated that two separate bond sales of \$15 million each will occur. The second of these two bonds sales will occur in 2014 to pay for the first half of Basins 2 and 3. An additional \$16 million will be taken from the fund balance in 2014 to complete the funding of Basins 2 and 3. Mr. Sandoval intends to use the DBW funding in 2013 to start the construction of the Basins 2 and 3 project. He offered a letter of intent from the City Council acknowledging the certainty of the bond sales, plan, purpose, etc., and committing the City to building the entire marina using bond financing for the shortfall. Mr. Sandoval will go before the City Council concerning the Bond Sales, which are Revenue Bonds, and only require a passing vote of the City Council, other than a 2.3 majority of the electorate.

Public Comment - John Cruger-Hansen and Diane Isley, Harbor Master, Emery Cove Yacht Harbor, spoke in favor of the proposed project. Ms. Isley asked that a report on reverted projects be supplied to the public at the next meeting. After discussion, a motion was made.

***MOTION:** It was moved by Commissioner Huffman and seconded by Commissioner Clark that the Boating and Waterways Commission approve the Department of Boating and Waterways public loan of \$9,000,000.00 to the City of Long Beach for rebuilding of Alamitos Bay Marina, Basins 2 & 3. Commissioners Clark, Huffman, Metz, Purdon, and Webb voted yes; Commissioner Moore voted no.*

NEW BUSINESS

Completed Projects

This agenda item was moved to the next Commission meeting.

Budget, Loans and Grants Update

Ms. Becerra stated that there are no budget items that impact the proposed Governor's budget. She added that the Administration would like the Department to look at and prioritize all the outstanding loans, grants and any new proposed projects. Commissioner Clark asked that this item be discussed at the next in-between meeting.

Format of Minutes

The Commission approved the format of the minutes.

COMMISSIONER ANNOUNCEMENTS

The next Commission will be July 27 & 28, 2010, in Long Beach.

ADJOURN

Chairman Metz adjourned the meeting at 2:36 P.M.



Lucia C. Becerra, Acting Secretary